

Study of Repeat Unemployment Claims

Study examined 2002-06 data

11% of claimants are “repeaters”

Most do not exhaust their benefits

Construction, farming, fishing & forestry cause most repeat layoffs

Repeat claimants are mostly older males; many from E. Wash.

In 2006, ESSB 6885 required the Employment Security Department to study and report on “employment patterns involving repeat episodes of unemployment to achieve improved employer-retention rates, improved claimant-placement rates and increased employment opportunities.”

Parameters of the study

- Looked at all paid claimants from January 2002 through June 2006 – totaling about 736,850 beneficiaries and 144,000 employers.

Key findings

- 89 percent filed only one or two claims in the five-year study period; 11 percent filed three or more claims – defined as “repeat episodes of unemployment.”
- The cost of claims that expired during the study period totaled \$4.3 billion.
- About 17 percent of this was paid to claimants with three or more claims.
 - * They collected an average of 53-56 percent of the total benefits available to them – 13 to 16.5 weeks of benefits.
 - * About 3 percent of those with repeat episodes exhausted benefits in every year that they filed.

Occupations with most repeat layoffs

People who filed three or more claims during the study period were concentrated in four occupational groups. Seventy percent of them worked in:

- Construction and extraction – 27 percent (versus 11 percent of non-repeat claimants).
- Farming, fishing and forestry - 15 percent (versus 3 percent of non-repeat claimants).
- Transportation and material-moving - 14 percent (versus 8 percent of non-repeat claimants).
- Production - 14 percent (versus 12 percent of non-repeat claimants).

Characteristics of repeat claimants

- 45 percent lived in Eastern Washington (versus 25 percent of non-repeat claimants).
- 74 percent were male (versus 60 percent of non-repeat claimants).
- 58 percent were between the ages of 35-54 (versus 49 percent of non-repeat claimants).
- 25 percent had no high school diploma or GED (versus 11 percent of non-repeat claimants).
- 23 percent are Hispanic (versus 8 percent of non-repeat claimants).

Employers

- 28 percent of primary base-year employers had claimants with repeat episodes. Of these, 23 percent were in rate-class 40 (8 percent of all employers were in rate-class 40 in 2006).

Most repeat claimants work repeatedly for same employers

- More than 70 percent of claimants with repeat episodes worked for the same one or two primary employers year after year. They may have worked for others employers during this time, too.
- Almost 28 percent of people with three claims and 38 percent of those with five claims were placed on *standby* by their employer at least once. Standby is reserved for temporary layoffs (no more than eight weeks per claim) and claimants are not required to look for work.

The primary base-year employers of workers with repeat unemployment claims were concentrated in a relatively few industries. Five industries employed 47 percent of beneficiaries with repeat claims; but only 15 percent of workers with one or two claims:

- Specialty trade contractors.
- Food manufacturing.
- Crop production.
- Heavy and civil-engineering construction.
- Construction of buildings.

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